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Centroamericana

Por una Región SICA con inclusión, bienestar y equidad



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SICA

Sistema de la Integración
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Comprehensive Regional Social Policy of SICA 2020–2040 PSIR-SICA 2020-2040

Integration through social inclusion



Adopted by the Central American Social Integration Council at its 73rd Ordinary Meeting on
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MESSAGES FROM OUR MEMBERS

The adoption of the Comprehensive Regional Social Policy of the Central American Integration System 2020–2040: Integration through Social Inclusion (PSIR-SICA) by the Central American Social Integration Council (CIS) marks a historic milestone for the Central American Integration System (SICA) region. This is because, firstly, it is the fruit of a broad and participatory process that engaged hundreds of social, state and private stakeholders in identifying regional priorities for social policy and, secondly, its adoption comes at a time marked by the impacts of the COVID-19 pandemic and the trail of destruction left by Hurricanes Eta and Iota in Central America. The challenge before us, then, is to focus our efforts on reducing the structural gaps that are deepening inequalities in all the countries in the region through policies that guarantee a living income for the most vulnerable and access to the basic rights of food, health and education as the basis for their recovery, taking into account the tighter fiscal constraints that all countries will have to live with over the coming years.

PSIR-SICA represents an opportunity to reframe social protection and mechanisms for social and economic inclusion, establishing their importance as innovative practices that enable more to be done and more people to be reached in a more resource-efficient way. It will be crucial to focus efforts on the most vulnerable areas, to establish participatory management and planning mechanisms that optimise the design and implementation of intersectoral public policy and to emphasise the importance of regional integration initiatives in leveraging efforts for horizontal cooperation between countries.

We congratulate the CIS and the Central American Secretariat for Social Integration (SISCA) on this important achievement. Without doubt, it will serve as an exemplar for all countries and regional blocs wishing to move ahead with inclusive development processes. It has been an honour for the FAO to support the PSIR-SICA development process, and we pledge to establish the mechanisms for its implementation, to support the participatory tracking and monitoring of outcomes and to continue promoting initiatives and collective action to build a more prosperous and inclusive Central America.

Adoniram Sanches Peraci

FAO Sub-regional Coordinator for Mesoamerica and Representative in Panama and Costa Rica

MESSAGES FROM OUR MEMBERS

One of the most important areas of action of the European Union (EU) is its cohesion policy, which aims to reduce economic and social gaps between its regions and territories. It is an essential part of the process to integrate countries into a supranational community. In the social domain, although powers essentially remain in the hands of member states, the EU supports and promotes the coordination and convergence of national policies. Given this European context and our aspirations to move ahead with the process of bringing EU countries' welfare systems closer together, we can strongly relate to SICA's regional social policy initiative. We welcome the adoption of this regional policy, which had remained a key piece of unfinished business since the signing of the Treaty on Central American Social Integration some 25 years ago. The region now has an instrument that contributes to ensuring a more comprehensive integration process.

Keen to be part of this story, the EU's EUROsociAL+ Programme has contributed to the work on formulating the regional social policy. However, its adoption comes at a very unusual time for Central America and the world as a whole. While the entire planet has been caught up in dealing with the consequences of the health, economic and social crises unleashed by COVID-19, Central America has, in addition, been hard hit by the ravages of Hurricanes Eta and Iota. These two events have severely tested the resilience of the societies, economies and governance systems of all the region's countries, once again demonstrating that national solutions can be enormously enhanced when designed and implemented at the regional scale, especially in cases where national economic structures are already highly interdependent.

This difficult year, marked by the COVID-19 crisis, has revealed something else, showing not only that social policy is once again topping the public agenda, but also that having stronger safety nets and social policies is the key reason why certain countries have been better able to cope with the fallout of the pandemic and take care of the most vulnerable sectors of society. The commitment made by Central America and the Dominican Republic to work together on the shared challenges of strengthening social protection and combating inequality is therefore to be celebrated.

Francesco María Chiodi
Coordinator of the Social Policies Area
EUROsociAL+

PRESENTATION

The CIS and SISCA are pleased to present the region's new Comprehensive Regional Social Policy, PSIR-SICA. This policy aims to contribute to enhancing the social cohesion of the region by means of an ongoing process of social inclusion based on the systematic reduction of inequality in all its forms, the eradication of hunger, sustained poverty reduction and the narrowing of social, territorial and gender gaps within and between countries. Increased social inclusion achieved through the implementation of PSIR-SICA will contribute to reducing social violence, strengthening democracy and increasing and improving the wellbeing of all those living in the region, an ambition that has been the main objective of the integration process from the outset. PSIR-SICA will therefore enable the social dimension to act as a linchpin and catalyst in the integration process, enhancing cohesion and coordination.

PSIR-SICA is humanist and universalist in outlook, seeking to ensure the wellbeing of all those living in the SICA region. However, to ensure fairness and solidarity and to address the social priorities set by countries, the initial phases of the policy's implementation will focus on those most affected by the COVID-19 pandemic, including those experiencing food insecurity and hunger and those in situations of multidimensional poverty and high social, economic and environmental vulnerability. PSIR-SICA will direct particular attention towards children, adolescents, women, people with disabilities, the elderly, migrants, indigenous people, people of African descent, refugees, and persons deprived of their liberty and their families.

The SICA institutions see PSIR-SICA as an instrument that complements and strengthens the social activities, programmes and projects currently under way at the regional level, but without detriment to its medium- and long-term strategic vision or its integrity. In particular, the policy supports the Agenda 2030 for Sustainable Development, the achievement of which is threatened by the negative effects of the COVID-19 pandemic, and it seeks to contribute to the effective implementation of the Intersectoral Regional Agenda on Social Protection and Productive Inclusion with Equity (ARIPSIP) 2018–2030, the Regional Gender Equality and Equity Policy (PRIEG-SICA) and all of the region's other existing initiatives, particularly those with a direct or indirect link to the strategic focus areas of PSIR-SICA.

PSIR-SICA reflects the mandate of the CIS (endorsed by the heads of state and government of the SICA member countries) to 'formulate, through a participatory process, SICA's regional social policy, drawing on the support of the competent authorities and development partners'. Based on this mandate, and with technical and financial support from FAO and EUROsociAL+, SISCA conducted a regional consultation process that included holding workshops in SICA's eight member countries in October and November 2019. In total, around 250 representatives from national public institutions and international cooperation organisations took part in the process. The areas of consensus that emerged during the consultation process and the subsequent consensual decisions taken by SISCA and the CIS have been incorporated into PSIR-SICA. The policy therefore reflects the interests, perspectives and aspirations of the main actors associated with social development in the region.

Furthermore, in compliance with the CIS's Second Special Declaration (United for the Recovery and Social Reconstruction of the SICA Region) of 27 April 2020, PSIR-SICA will serve as the framework for the design and implementation of the Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic, whose immediate aim will be to contribute to countering the negative social impacts of the health, economic and social crises unleashed by the COVID-19 pandemic in the SICA region, in particular the rise in hunger, poverty, inequality and social and environmental vulnerability. The plan will feature a portfolio of project profiles with a time horizon of two years that will include activities in at least three main areas: provision of social protection services; employability and jobs; and reduction of the physical, economic and social vulnerability of people living in informal settlements.

Dr. Alfredo Suárez Mieses
Secretary-General
2016–2020
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Dr. Guillermo González
Minister-Director
National System of Disaster Prevention,
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of Nicaragua

President Pro Tempore of the CIS
July–December 2020

SIGLAS Y ACRÓNIMOS

ARIPSIP	Intersectoral Regional Agenda on Social Protection and Productive Inclusion with Equity 2018–2030.
CIS	Central American Social Integration Council
EU	European Union
FAO	United Nations Food and Agriculture Organization
GDP	Gross domestic product
HDI	Human Development Index
MIDES	Ministry of Social Development, Panama
NGOs	Non-governmental organizations
OCADES	Central American Observatory on Social Development
PPP	Purchasing power parity
PRIEG-SICA	Regional Gender Equality and Equity Policy of the Central American Integration System
PSIR-SICA	Comprehensive Regional Social Policy of the Central American Integration System 2020–2040
SDG	Sustainable Development Goal
SICA	Central American Integration System
SISCA	Central American Secretariat for Social Integration
WHO	World Health Organization

I. The necessity and historic importance of PSIR-SICA

PSIR-SICA is a milestone in the history of Central America's integration process. Some 60 years after the signing of the General Treaty of Central American Economic Integration and almost a quarter of a century on from the signing of the Treaty on Central American Social Integration, the region is finally set to have a comprehensive social policy seeking to address the social and human dimensions of integration, making it a catalyst for cohesion in the process. Furthermore, with its regional approach and its emphasis on the local and territorial dimension, PSIR-SICA represents a decisive step in furthering social integration in the region's countries and the comprehensive development of territories, especially those that are less developed. Regional social integration is an urgent task in the post-COVID-19 phase, given that one of the most effective strategies for dealing with the new world we are entering is to deepen integration and regional cooperation in all its forms. This includes enhancing regional cooperation on the prevention, containment and mitigation of social impacts resulting from climate change, natural hazards, and epidemics and pandemics. In this light, PSIR-SICA presents a golden opportunity to move regional social integration forwards throughout the coming decades.

PSIR-SICA is the fruit of the firm commitment made by SICA countries to the social dimension of regional integration. Likewise, it is the product of SISCA's vital work to place this dimension firmly on SICA's strategic agenda and coordinate regional activities for the formulation of the policy. All of this fits within the broader context of the efforts of the region and SICA to establish a model of sustainable development that leaves no one behind.

The Agenda 2030 for Sustainable Development calls for Latin America to put inequality front and centre of the debate. This implies a need for the establishment of specific mechanisms to enable the region to work towards closing structural gaps through new public investment facilities aimed at promoting partnerships between the different regional, national and international actors operating in the region. If we are to achieve the Sustainable Development Goals (SDGs) – an aspiration now threatened by the social impacts of the COVID-19 pandemic – regional

strategies are needed to coordinate activities to promote and support social inclusion in tandem with economic growth and with the environmental sustainability of our societies.

Faster economic growth, increased social investment and the implementation of direct support schemes for families and individuals in recent decades have contributed to moving social development forward in the SICA region. Poverty, the maternal and infant mortality rate and undernutrition have all decreased, and there have been significant improvements in the level of education, life expectancy and the coverage of basic social services. In spite of these achievements, sustainable social development remains an unfinished task due to the persistence of serious social problems caused and perpetuated by structural factors associated with the functioning of the economic system and with the historical lack of distributive and redistributive public policies. The persistence of these problems magnifies the negative impacts of external threats, such as the health, economic and social crises unleashed by COVID-19. This is particularly true of poverty- and hunger-related problems which, according to initial projections, will increase considerably over the coming years due to shrinking incomes, a decline in employment and difficulties in producing and accessing food. Now more than ever, it is vital that we tackle these problems in a comprehensive manner, adopting a multisector approach that focuses on medium- and long-term impacts.

Among the main social problems affecting the region are inequality in its various forms and multidimensional poverty.

Table 1. Some economic and social indicators for the SICA region countries

Indicator	BEL	C.R.	D.R.	E.S.	GUA.	HON.	NIC.	PAN.	Region
Total population in 2020 (in thousands of inhabitants)	397.6	5,094.1	10,847.9	6,486.2	17,915.6	9,904.6	6,624.6	4,314.8	61,585.3 [*]
Average GDP growth 2014–2018 (%)	2.2	3.5	6.5	2.3	3.5	3.9	3	5	2.7
GDP per capita in 2018 (in USD, in constant 2010 prices)	4,249	9,889.7	7,697.7	3,511.5	3,160	2,219.3	1,860.4	11,723.9	5,538.9
Share of regional GDP	1%	17%	23%	7%	23%	7%	4%	19%	
Trade openness (% of GDP in 2017) in current prices	111.8	66.3	52.9	72.5	45.7	102.4	96.7	87.6	
Exports to United States as a % of total exports (2017)	26.3	40.9	53.3	44.9	34.4	40.2	58.6	20.2	
Poverty, 2014–2017 (% of population living on less than USD 5.50 per day, 2011 PPP)	n.a.	9.7 [b]	19.9 [c]	29 [b]	48.8 [d]	52.6 [b]	16.9 [d]	14.1 [b]	27.3
Extreme poverty, 2014–2017 (% of population living on less than USD 3.30 per day, 2011 PPP)	n.a.	2.7 [b]	5.9 [c]	8.5 [b]	24.2 [d]	31.6 [b]	8.3 [d]	6.3 [b]	12.5
HDI (2018 value)	0.7	0.8	0.7	0.7	0.7	0.6	0.7	0.8	0.7
Inequality: Gini Index, 2014–2017	n.a.	0.48 [b]	0.46 [c]	0.38 [b]	0.48 [d]	0.51 [b]	0.46 [d]	0.5 [b]	0.5
Children not attending primary school, 2017–2018 (% of children of primary school age)	0.7 [a]	0.1 [a]	5.3 [b]	14.6 [b]	10.6 [a]	17.5 [b]	n.a.	13.2 [b]	8.9
Adolescents not attending secondary school, 2017–2018 (% of adolescents of secondary school age)	10.1 [a]	3.8 [a]	7.9 [b]	17.25 [b]	32.8 [a]	38.2 [b]	n.a.	12.2 [b]	17.5
Prevalence of undernutrition, 2017 (% of population)	7.5	4.8	9.5	9	15.2	12.9	17	10	10.7
Unemployment, 2019 (% of the working-age population)	9.5	8.2	5.8	4.3	2.7	4.1	4.9	3.9	5.4
Youth unemployment rate, 2019 (% of people aged 15 to 24)	19.9	21.2	13.3	9.7	5.6	7.9	9.2	10	12.1
Adolescent birth rate, 2017 (births per 1,000 women aged 15 to 19)	68.5	53.5	94.3	69.5	70.9	72.9	85	81.8	74.5

Sources

Population data: United Nations World Population Prospects – The 2019 Revision.

Growth, poverty, inequality, unemployment and birth rate data: The World Bank's World Development Indicators DataBank, updated in December 2019.

Education data: UNESCO Institute for Statistics.

Notes

As shown in Table 1, according to the most commonly used measure of inequality, the Gini Index, the SICA region attained an average value of 0.5 in the 2014–2017 period, making it one of the most unequal regions in the world. In this same period, the percentage of the region's population living below the poverty line was 27.3%, while the population experiencing extreme poverty reached 12.5%. This means that, of the total regional population estimated in 2020 by the United Nations to be 61.6 million inhabitants, around 16.6 million are living in poverty and close to 7.7 million are experiencing extreme poverty.

However, according to initial projections drawn up by the Economic Commission for Latin America and the Caribbean, under the lowest-impact scenario, extreme poverty would increase in the region by 1% in 2020, while general poverty would rise by 1.8%. Under the highest-impact scenario, extreme poverty would increase by 1.5% and general poverty by 2.9%.

A significant share of the SICA region's population is living in poverty and in a highly vulnerable socio-economic situation. In all of the region's countries, save for Costa Rica, health and social protection systems are extremely weak and fragmented. In addition, given the high levels of informality in their economies, these countries are extremely dependent on foreign trade and tourism, with several also reliant on family remittances. The impact of the looming international crisis will be felt more quickly and more deeply in the SICA region than in the rest of Latin America.

In addition to the above-mentioned structural characteristics, there are other factors that hold back socio-economic development in the region. All the region's countries are small in terms of land area and population, and they do not have abundant strategic natural resources. Furthermore, as part of the structural changes occurring over the last few decades, all of the region's economies have transitioned from agricultural to service economies, although in some countries the farming sector still accounts for a substantial share of the economy. In general, all of them also display low levels of overall and sectoral productivity, which is reflected in the existence of a large informal economy and poor food and nutrition security.

In this context, SICA, as the body responsible for regional integration, has been one of the main driving forces behind the development of mechanisms capable of creating the conditions for overcoming inequalities in the region. Of note in this regard is the role that the CIS has been playing through SISCA. Since 2016, the latter has led a broad process to identify the region's potential and the main structural gaps that prevent it from being realised.

The creation of the Intersectoral Technical Committee and the development of the ARIPSIP are concrete examples of the region's commitment to finding new ways of overcoming socio-economic inequalities in a sustainable manner. From the conceptual and methodological perspective, PSIR-SICA signifies a decisive step by the region and the CIS in terms of establishing a regional strategic social vision and charting a concrete roadmap for the work required in the long term to achieve social objectives and goals, which will contribute to greater social inclusion as a result of the reduction in inequalities and social, territorial and gender gaps. PSIR-SICA is therefore intended to serve as a tool for cohesion and convergence between the region's countries, and it encapsulates the region's strategic commitment to becoming a place of peace, democracy and sustainable development.

In programmatic and operational terms, PSIR-SICA constitutes a powerful tool that, in combination with all the other national and regional public policies, will contribute to addressing the main social problems affecting the region in a sustainable, comprehensive and coordinated way. One of these problems is rampant inequality, which is apparent in the region's high levels of spatial segregation and constitutes one of the main structural causes of the social exclusion and multidimensional poverty affecting a large section of the population.

PSIR-SICA aims to contribute to the region's economic revitalisation and international integration with an emphasis on promoting investment in comprehensive people development, the dividend being a healthy, educated and productive workforce which is a key factor in determining a modern economy's international competitiveness. The policy will also help to

promote the integration and consolidation of labour markets by contributing to the management and regulation of migration within the region, much of which is work-related. Similarly, PSIR-SICA will contribute to tackling the health and humanitarian crisis caused by the COVID-19 pandemic through the implementation of its Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic. It will enhance social protection, employability and the improvement of human settlements and contribute to addressing some of the negative consequences of hurricanes Eta and Iota in the region.

From a political point of view, PSIR-SICA supports the establishment of common regional positions on social matters vis-à-vis those of other parts of the world and the international community. With the region working as a block in this way, its negotiating position will be strengthened, and it will be able to align international cooperation with the region's social priorities. This will also increase the possibility of mobilising greater internal and external resources for social ends.

PSIR-SICA further aims to contribute to strengthening the institutions operating in the social domain and to enhancing regional and national responses to social problems resulting from natural hazards, epidemics and pandemics, and external shocks of an economic or non-economic nature. This entails resource governance, stewardship and management and the strengthening of regional coordination in key social areas. Implementing the policy effectively will enable progressive alignment and strategic convergence of national social policies, which will be complemented and enhanced. The policy will also serve as a framework in which all SICA countries and bodies will be called on to step up their intersectoral efforts in order to achieve the declared goals.

Finally, PSIR-SICA will promote the ongoing and systematic exchange of experiences, knowledge and good practices in the social domain. This will contribute to strengthening and improving national social policies and will help to ensure the region is better prepared to cope with future health and humanitarian threats. It will facilitate access to

regional skills and expertise in order to build institutional capacities. It will also help the region to adopt better quality standards for the social domain, strengthen its social policy monitoring and evaluation systems and generate social statistics and indicators that will serve as indispensable tools for formulating sustainable social policies.

With this policy, the CIS reinforces its commitment to deliver on the mandate it has been given. It undertakes to lead PSIR-SICA's implementation process in concert with all relevant stakeholders and in accordance with the objective of building a SICA region that is fairer, more democratic and more mutually supportive.

II. Guiding principles of PSIR-SICA

PSIR-SICA is based on the following guiding principles:

- a) It places people at the centre and promotes full respect for universal human rights.
- b) It takes the human life cycle and intergenerational factors into account.
- c) It includes gender equality and equity, as well as multicultural, multi-ethnic, territorial and local dimensions as cross-cutting issues.
- d) It is respectful of the region's social and cultural diversity, especially the multiculturalism and cosmovision (Mesoamerican worldview) of indigenous people and people of African descent.
- e) It promotes public participation and respect for the national sovereignty of each member country and recognises and respects national public policies.
- f) It strategically incorporates the particularities of each country and the social and cultural differences existing within and between them.
- g) It addresses regional problems based on a multisectoral approach.
- h) It is comprehensive, multidimensional, equitable and flexible, based on solidarity and shared responsibility and adaptable to the particular conditions in each country.
- i) It leverages the spatial and territorial dimension in the drive for social inclusion.
- j) It ensures transparency and accountability.

Photo: Ministry of Youth of the Dominican Republic



III. Vision and strategic commitment of PSIR-SICA

PSIR-SICA is based on the conviction that, despite all the difficulties currently facing the SICA region and the enormous challenges presented by the health, humanitarian and economic crises resulting from the COVID-19 pandemic, over the next 20 years the SICA region can become a more equitable and socially integrated place, where residents, especially those experiencing poverty and social exclusion, benefit from the opportunities, policies, instruments and support required for their full development in the different areas of social life.

This conviction is grounded in the knowledge that the region, as a block, has the political will to succeed and the institutional, economic, scientific and technological capacities required to effectively and comprehensively eradicate or neutralise the main factors causing and perpetuating multidimensional poverty, social marginalisation and exclusion. Key among these factors are socio-economic, territorial and gender inequalities; insufficient income; the lack of employment, income-generating and educational opportunities; insufficient coverage of social protection and social security systems and lack of access to basic social services and adequate housing; and the adverse effects of climate change, natural hazards, and epidemics and pandemics.

The strategic commitment of PSIR-SICA is to:

Contribute to the social integration of the region through an ongoing process of social inclusion based on the sustained and systematic reduction of inequality in all its forms and of the social, territorial and gender gaps within and between countries. PSIR-SICA, in combination with all other regional policy instruments, will enable the social dimension to act as a linchpin and catalyst in the integration process, enhancing cohesion and coordination and contributing to achieving more integrated social protection systems, more cohesive societies and joint policy action in the countries of the region.

Specifically, this strategic commitment means ensuring that the whole population and particularly those experiencing poverty and high levels of vulnerability are incorporated into social protection and social security systems and have adequate

housing, a decent social and community environment and access to good-quality basic social services, especially education and health services. Furthermore, this commitment means delivering on the integration of these people in terms of employment, education and income generation by creating jobs and learning and business opportunities and by extending economic and social infrastructure to the areas where they live. In this way, it is hoped to end poverty, hunger and spatial segregation.

PSIR-SICA acknowledges that there is a close link between economic performance and social development and that two of the most significant areas where these two factors interact are intraregional migration and labour markets. The strategic commitment therefore includes investing in people through an intergenerational and life cycle approach (pregnancy, infancy, childhood, puberty, older adolescence, adulthood, old age). In addition to generating more and better social wellbeing, PSIR-SICA will help to build a healthy, educated and highly productive workforce, which will make the region's economies more productive and competitive, thus generating more and better jobs and higher household incomes.

Given the close relationship between economic and social development, the time has now come for SICA to strategically embrace the social dimension of integration. The consequences of not investing in people will be huge in terms of lost competitiveness and fewer quality jobs. Additionally, by promoting the management and regulation of intraregional labour migration and strengthening social security systems, PSIR-SICA aims to contribute to strengthening and expanding the region's labour markets and to generating more and better work and social opportunities for working-age people within a framework of social cohesion and balanced territorial development.

Furthermore, the strategic commitment of PSIR-SICA acknowledges that, over the coming decades, the region will continue to experience the adverse effects of climate change, natural hazards and internal and external economic events. The policy intends to mitigate these impacts by strengthening the region's capacity to respond to such events and by creating

by creating regional systems that can improve people's livelihood resilience, implement the adaptation measures required to reduce economic and social impacts on communities and put in place adequate response instruments to protect people affected by adverse events, focusing in particular on spatial planning.

IV. Strategic objectives and goals of PSIR-SICA

PSIR-SICA is defined as:

A comprehensive social policy that is regional in scope and seeks to strengthen the social dimension of regional integration and contribute to increasing and improving the wellbeing of all those living in SICA countries by promoting sustainable social development. Set within the framework of a long-term vision are criteria, principles, strategies, programmes and key lines of action that SICA nation states and institutions can use to tackle regional public social issues, particularly inequality in its different socio-economic and spatial forms, multidimensional poverty, social exclusion and the adverse effects of climate change, natural hazards, economic events and epidemics and pandemics, which constitute the core set of problems that most affect people in the region. In accordance with this definition and the vision and strategic commitment outlined above, the following section sets out PSIR-SICA's strategic objectives and goals, which are aligned with the 2030 Agenda.

4.1 Strategic objectives

- a) Contribute to making the SICA region a socially integrated, equitable and safe region by ensuring the social inclusion of all its inhabitants, especially those who, due to their socio-economic situation and conditions in the place where they live and work, experience poverty and a high level of vulnerability to social violence and to changes in the economic, social and environmental context.
- b) Contribute to reducing inequality in all its forms, particularly gender inequality, territorial inequality and unequal access to habitats, adequate housing and basic social services, especially education and health.
- c) Strengthen the political and social unity of the SICA region by implementing a shared regional social vision and by promoting the strategic convergence of national social policies.
- d) Contribute to the recovery and reconstruction of the SICA region in the post-COVID-19 period.



Photo: UN FAO

4.2 Strategic goals



Goal 1: Put an end to hunger and to all forms of malnutrition including undernutrition, focusing in particular on chronic undernutrition among children under five. These conditions are causal and perpetuating factors of multidimensional poverty, exclusion and social marginalisation, and they have been exacerbated by the health and humanitarian crisis caused by the COVID-19 pandemic.



Goal 2: Eradicate extreme poverty and halve the general poverty rate in each of the SICA countries (taking 2015 as the baseline year) in accordance with national definitions.¹



Goal 3: Implement joint intersectoral strategies on social protection and economic inclusion that simultaneously provide protection to ensure basic needs are met and help build independent and resilient livelihoods.



Goal 4: Incorporate the region's people into social protection and social security systems and provide them with access to basic social services, in particular education and health, taking into account the territorial and local dimension.



Goal 5: Reduce gender inequality, ensuring equal social, economic and political rights for women, in accordance with international treaties and the laws of individual SICA countries.



Goal 6: Manage and regulate regular and irregular intraregional migration, particularly labour-related migration, harnessing it as an instrument of regional development.



Goal 7: Promote access to healthy and productive living environments and adequate housing for all, delivering development that is inclusive, safe, resilient and sustainable.

¹ This goal is consistent with SDG 2. Its inclusion reflects PSIR-SICA's ambition to complement and reinforce the 2030 Agenda, the achievement of which has been seriously jeopardised by the COVID-19 pandemic.

V. Strategic focus areas of PSIR-SICA

PSIR-SICA sets out five focus areas for regional action, which have been selected for the impact they can have on strategic factors that cause, perpetuate or reproduce the region's main social problems. These focus areas are key to reducing poverty, social exclusion, inequality and social, territorial and gender gaps and seek to build more resilient societies that are equipped with the means to counter the negative social effects of possible future economic and social shocks arising from the climate crisis or health emergencies.

In view of the need for comprehensiveness, flexibility and adaptability, the strategic focus areas have been designed to be implemented together, individually or in phases, according to the social interests and priorities of each of the region's countries. The idea is for all the focus areas to be implemented in every SICA country over the next two decades so as to achieve regional convergence in managing social policy in the medium and long term.

Each focus area includes strategic lines of action which, like the focus areas themselves, can be implemented either simultaneously or separately, depending on the socio-economic situation and social agenda of each country. It is hoped that, over time, the countries working either individually or collectively will be able to add new lines of action that reflect changes occurring in the region's social landscape and the gains made thanks to the implementation of PSIR-SICA.

To ensure that PSIR-SICA and the Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic complement each other, the plan's content has been developed taking into account the policy's strategic lines of action.

Gender equity, the territorial and local dimension, the intergenerational dimension and the multisectoral approach are incorporated as cross-cutting themes throughout the strategic lines of action of each focus area. This will ensure that actions are comprehensive and complementary and facilitate interinstitutional and multisectoral coordination.

Presented below are the five strategic focus areas established in PSIR-SICA, along with their corresponding strategic lines of action.

Focus area 1: Strengthening and expanding social protection and social security systems

In addition to social, territorial and gender inequalities and the shortage of decent jobs, another factor underlying poverty, exclusion and social marginalisation in the region, which requires a commitment from governments, is the lack or inadequacy of basic social services and universal social programmes that guarantee people a minimum income and protect them from vulnerabilities associated with the human life-cycle and the adverse effects of climate change, pandemics, natural hazards and economic shocks.

The full magnitude of the problem has been revealed by the health and humanitarian crisis unleashed by COVID-19, which has shown just how weak and fragmented most SICA countries' health and social protection systems are.

The aim of efforts to strengthen social protection and social security systems is to ensure everyone living in the region is covered, especially those trapped in the vicious circle of unemployment, lack of income, poverty, marginalisation and social and spatial exclusion. It is this vicious circle that also increases and magnifies the structural inequality generated by issues around market access and functioning and by gender inequalities. In this context, providing a comprehensive response to address the diverse factors that increase people's vulnerability will require measures to promote action to guarantee a basic income, access to good-quality basic social services and adequate housing. This will include special efforts to strengthen the areas of education and health and to promote the incorporation of the different strata of the population in social protection and social security systems.

For these reasons, and to further the process of achieving social integration and cohesion in the region, PSIR-SICA's first focus area aims to strengthen and expand social protection and social security systems

so that, together, they can provide everyone in the region with cover, especially those who are poor and in a highly vulnerable situation. This focus area complements and builds on various regional instruments constituting SICA's previous efforts in this regard, in particular: the Regional Action Plan of the Council of Labour Ministers of Central America and the Dominican Republic, the Health Plan for Central America and the Dominican Republic, the SICA Regional Health Policy 2015–2022, the Regional Action Plan on Poverty and Social Protection 2017–2020, PRIEG-SICA, the Central American Education Policy 2013–2021 and the Regional Plan for Comprehensive Early Childhood Services. It also complements the actions set out in the Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic aimed at strengthening social protection programmes for people affected by the COVID-19 pandemic.

The main lines of action under this focus area are as follows:

- a) Develop, expand and improve social protection programmes and measures to increase household income for the entire population, including urban slum communities and people living in cross-border and border areas and less-developed rural and coastal areas.
- b) Expand and improve the coverage of basic social services, in particular education, early childhood development, health, nutrition, drinking water and environmental sanitation, for the entire population, including those living in rural, border and cross-border areas and in urban slums. The expansion and modernisation of education- and health-related infrastructure includes ensuring comprehensive coverage in terms of technological services and the internet and, in the case of educational establishments, the availability of sufficient computers and peripherals to ensure the student population in all parts of the region can access online education.
- c) Expand and improve universal social programmes, including conditional and unconditional cash transfer schemes for the poor and those in highly vulnerable situations (based on the human life cycle approach) and the gradual introduction of universal basic income.
- d) Implement effective social protection and occupational safety programmes for the whole population, including for migrant workers, farm labourers and small-scale farmers.
- e) Implement programmes for decent jobs in urban slums and rural, border and cross-border areas targeted at priority groups, especially women and young adults. These programmes will involve strengthening regional value chains to promote and include small and medium-sized farming enterprises, fostering business partnerships to create employment for women and young adults and implementing local programmes to promote and support micro-, small- and medium-sized businesses.
- f) Expand and strengthen capacity-building and innovation plans for educational, labour market and economic inclusion, especially for young people and women, and carry out regional programmes for the social and labour market inclusion of people with disabilities, including socialisation, connectivity and mobility programmes.
- g) Implement comprehensive regional assistance programmes for working families, especially those living in poverty, including migrant, refugee, campesino, indigenous and Afrodescendant families. Strengthen and expand regional programmes that ensure access to services for migrants and refugees and protection of their rights.
- h) Implement regional programmes to prevent child and teenage pregnancy and all forms of violence against children and programmes to eradicate child labour, hazardous adolescent labour, human trafficking and sexual exploitation.
- i) Implement regional grant and exchange schemes that provide young adults and women with technical and professional training and deliver teacher training programmes.
- j) Implement high added value programmes for comprehensive urban regeneration and the upgrading of informal settlements, based on the provision of adequate and affordable housing for all, located in productive neighbourhoods with mixed land use models and promoting the value of

local assets and the notion of proximity as a means of reducing mobility demand, with a focus on social inclusion, environmental sustainability and public health.

k) Implement regional capacity-building and experience-sharing programmes on urban and territorial planning policy and practices that promote public health and sustainable and productive social inclusion and address urban–rural linkages.

Focus area 2: Ensuring the comprehensive and orderly integration of intraregional migration in labour markets and in social protection and social security systems

In recent years, intraregional migration has increased significantly, a trend that is expected to continue over the coming decades. A key driver has been the COVID-19 pandemic and its negative impacts on employment and household income in the region. According to a recent report on the findings of a baseline study on migration and displacement in the SICA region (Hallazgos del Estudio de Línea Base sobre Migración y Desplazamiento en la Región del SICA) by the International Organization for Migration, the United Nations High Commissioner for Refugees and SICA, between 2000 and 2017 the number of international migrants living in SICA member countries grew by 40%, from 925,137 to 1,293,614. Of this 2017 total, 41.3% were immigrants from other SICA countries.

Some of the reasons why people migrate include a climate of violence and insecurity prevailing in their home country, the search for work opportunities and better incomes, the growth in demand for labour in countries with high economic growth and/or experiencing labour shortages, the recurrence of natural hazards and large numbers of people experiencing poverty or high levels of social vulnerability who choose to emigrate as a coping strategy.

The growing importance of labour migration must be taken into account because it is a crucial factor in achieving social inclusion in the region. It is driven by the lack of employment and opportunities for economic integration in countries of origin, by differences in remuneration and even by currency exchange differences between countries. By its very nature, this type of migration has significant economic, social and

political consequences. Regulating and managing it requires multisectoral action in areas including education, health and social security and changes to the way the different countries' labour markets work.

Acknowledging the scale of the problem, SICA drew up the Action Plan for the Comprehensive Management of Migration in the Countries of the Central American Integration System. However, because intraregional migration is a socio-economic phenomenon of great import for economies and societies, progress needs to be made on addressing the problem in a way that ensures the migrant population enjoys the social protection and comprehensive assistance it is entitled to. It is expected that, due to the COVID-19 pandemic, both regular and irregular intraregional migration associated with labour markets will increase over the coming years.

Therefore, the second focus area of PSIR-SICA addresses the response to and comprehensive management of intraregional migration and the orderly incorporation of the migrant population into labour markets and social protection and social security systems. Implementing this focus area will entail the comprehensive and orderly expansion of social protection and social security cover to include the intraregional migrant population and their incorporation into the region's labour markets.

The main strategic lines of action under this focus area are as follows:

- a)** Reinforce social safety nets for regular and irregular migrants and for refugees and asylum seekers. As part of this work, strengthen regional partnerships to provide comprehensive assistance to these people in border, transnational and rural areas.
- b)** Implement regional programmes to ensure the human rights of migrants, refugees and returnees are respected, including action to guarantee the rights of migrant workers, especially those holding temporary worker permits, regional regulations on people trafficking and child labour, the expansion and enhancement of regulatory and protection systems for migrant seasonal farmworkers and the implementation of a regional information system on at-risk and missing people.

c) Create an intraregional migrant and refugee support system, including extracurricular programmes and activities and municipal recreation schemes for adolescent and young adult migrants and comprehensive programmes for migrant children.

d) Remove or reduce the legal and administrative barriers hindering regional labour integration and mobility and develop a regional system for certifying qualifications (including professional and educational qualifications), skills and knowledge

e) Implement regional labour integration programmes for migrants and refugees, with a particular focus on women and young migrants, and deliver education, health, nutrition, housing, employment and social cohesion programmes for cross-border and mobile populations.

Eje3: El desarrollo integral de los territorios y de las comunidades transfronterizas y fronterizas y de los territorios rurales y costeros de menor desarrollo.

In the SICA region there are significant rural, cross-border and coastal areas that straddle two or more countries and have enormous economic potential and important natural and environmental resources. Living in these regions are campesino, indigenous, Afrodescendant, migrant and refugee communities, many of whom live in poverty and with a high level of social and environmental vulnerability. In some cases, these areas are highly dangerous due to the presence of criminal gangs.

These cross-border areas and communities represent a unique opportunity for achieving the social, institutional and territorial integration of the SICA region and promoting local comprehensive development through the coordination of the different actors operating in this arena. In this way, these actors – in particular, central and local governments, communities, non-governmental organisations (NGOs), international cooperation and business sectors (especially micro-, small- and medium-sized enterprises) – can work together on managing regional problems at the territorial and local level.

Significant efforts are already under way in the SICA region to promote the comprehensive development of cross-border areas, such as the Trifinio Project operating in the area straddling El Salvador, Guatemala and Honduras. Other efforts are focused on territorial development, such as the Central American Strategy for Rural Territorial Development, the 2016–2020 Agenda for Spatial Planning of the Central American Council for Housing and Human Settlements and the Integration Policy on Fisheries and Aquaculture.

To complement and strengthen these and other initiatives, the third focus area of PSIR-SICA concentrates on the comprehensive development of rural areas and cross-border communities with a view to reducing the social and territorial gaps existing in the region.

The main strategic lines of action under this focus area are as follows:

a) Create, enhance and expand comprehensive programmes to achieve local- and territorial-level social development in cross-border and border areas and less-developed rural and coastal areas, based on a multisectoral approach and including social protection programmes for communities in these areas.

b) Expand and improve social infrastructure in cross-border areas and in less-developed rural and coastal areas, with an emphasis on the infrastructure required for education, health and the prevention, containment and mitigation of negative social impacts of climate change, economic and social shocks, and epidemics and pandemics.

c) Implement enterprise support schemes and programmes to promote public-private partnerships in cross-border and border areas and less-developed coastal and rural areas.

d) Establish socio-economic development and job creation plans for cross-border and border areas and less-developed coastal and rural areas, in particular for women, young people, migrants and refugees.

e) Develop plans for the sustainable management of natural resources, particularly water and forest resources, in cross-border, rural and coastal areas.

f) Implement education and community engagement programmes as part of appropriate public communication initiatives on epidemics and communicable and non-communicable diseases. These programmes should include training for health workers, public communication activities, and health and nutrition education.

g) Establish a regional epidemiological monitoring system aimed at preventing the spread of epidemics (outbreaks of infectious diseases). This will include risk stratification, with a particular focus on cross-border and border areas.

h) Promote the alignment of the region's spatial planning policies and tools through, among other things, experience sharing and training at central and local government levels. The aim of this alignment is to catalyse public and private investment strategies with spatial planning approaches that can achieve the balanced development of regions and efficient, safe and environmentally sustainable spatial organisation for all.

Focus area 4: Ensuring food and nutrition security and ending hunger and malnutrition

Food insecurity, malnutrition and chronic undernutrition are social problems that affect a significant share of the region's population, especially children, migrants and refugees, and campesino, indigenous and Afrodescendant families. The main manifestation is chronic undernutrition (stunting or low height for age). According to the World Bank, the prevalence of undernutrition in the region in 2017 was 10.7%, meaning that one in ten people in the region are undernourished. In addition, there are problems of overweight and obesity and a gradual increase in chronic diseases including diabetes, cardiovascular disease and high blood pressure.

One of the main detrimental effects of the COVID-19 pandemic in the SICA region has been the increase in food insecurity and hunger. These problems are set to get even worse in the post-pandemic period, due to the negative impact this health crisis is having on employment, household income, production and national, regional and international supply chains. The possibility of a food crisis occurring in the region over

the next few years is therefore high, and the response to any such crisis must be timely, coordinated and regional in scope.

Given its devastating impact on people's health and comprehensive development, issues of food insecurity, hunger, malnutrition and undernutrition have been a fixture on the SICA agenda. A number of initiatives have been undertaken, such as the Food and Nutrition Security Policy of Central America and the Dominican Republic, the Strategy for the Prevention of Overweight and Obesity in Children and Adolescents in Central America and the Dominican Republic 2014–2025, the Regional Action Plan on Poverty and Social Protection 2017–2020, the Campesino, Indigenous and Afrodescendant Family Farming Policy of the SICA Region 2018–2030 and the Agricultural Policy for the SICA Region 2019–2030. To strengthen and complement these initiatives, PSIR-SICA's fourth focus area targets food and nutrition security and the elimination of hunger, undernutrition and malnutrition with a view to improving physical and mental health in the region.

The main strategic lines of action under this focus area are as follows:

a) Create regional partnerships that work to identify common strategies and practices for reducing food insecurity and cross-border risks to food production and consumption and implement region-wide food and nutrition security programmes that provide support and guidance on family nutrition and access to and increased availability of healthy foods, including the production of organic foods, the harvesting of foods from the sea and the supply of basic grains, fruit and vegetables.

b) Implement regional programmes, with a gender focus, that are directly aimed at combating hunger, undernutrition, overweight and obesity and addressing their causes and effects at the different stages of the human life-cycle, including educational programmes on physical exercise and nutritious food aimed at promoting protective health factors and preventing risk factors related to malnutrition and non-communicable diseases. This work will also include the development of nutrition early warning systems.

c) Implement programmes that provide people, especially women and young people, with access to land for food production and strengthen and expand family farming programmes by facilitating access to markets, property and assets, and financial and non-financial rural services. This work to help people secure sustainable livelihoods should include coverage of cross-border and border areas and less-developed rural and coastal areas.

d) Implement a knowledge-sharing programme under which indigenous people can exchange good practices from their traditional food cultures.

e) Support the updating of regional standards and regulations on nutrition labelling for food products and the marketing of foods within the region. Develop a regional legal framework to contribute to the creation, adaptation and functioning of institutional public, private, municipal and community-based spaces that promote healthy diets and physical exercise.

f) Facilitate and strengthen intraregional trade in food to ensure sufficient supplies of food products in all SICA member countries.

g) Increase investment in early childhood nutrition, with a stronger focus on the first thousand days of life and prioritising the municipalities most affected by hunger, undernutrition, poverty and obesity. Strengthen school food and health programmes and increase the availability of safe drinking water in educational establishments.

h) Strengthen regional programmes that promote access to potable water and environmental sanitation.

i) Regulate land use, giving preference to the use of land for growing food. Promote sustainable urban development based on compact-city urban design models that limit the loss of productive agricultural land to urbanisation. Put in place regulatory frameworks that prevent discriminatory practices and speculation when rural land is converted to urban use.

j) Regulate the use of agrochemicals and strengthen sustainable farming.

Focus area 5: Protecting people against the adverse effects of climate change and natural hazards

The SICA region is one of the world's most vulnerable regions when it comes to the adverse effects of climate change and natural hazards. These impacts are exacerbated by local environmental factors, such as deforestation, and by the poverty and high level of social vulnerability affecting a significant proportion of the population, especially those living in rural, coastal and urban slum areas and in areas where social infrastructure and basic services are thin on the ground.

It has been well documented that over the last few decades climate-related events, such as excessive heat, drought and flooding caused by the storms and hurricanes affecting the region, and other natural hazards, such as earthquakes and landslides, have become causal and perpetuating factors of poverty, inequality and social exclusion. Given that the policy's target population live in urban and rural areas with significant environmental and social risks, the creation of additional social infrastructure and basic services, as specified in Focus area 1, must be accompanied by complementary measures to mitigate the adverse effects of climate change and natural, economic, social and health hazards.

The scale of this problem has prompted SICA to implement important measures, particularly under the Climate-Smart Agriculture Strategy for the SICA Region 2018–2030, the Regional Agri-environmental and Health Strategy for Central America, the Regional Environmental Framework Strategy 2015–2020, the Regional Climate Change Strategy and the Central American Policy on Comprehensive Risk Management Harmonised with the Sendai Framework for Disaster Risk Reduction 2015–2030. However, in spite of the gains made in the region in this regard, prioritised communities continue to experience the negative impacts of such hazards, including the loss of crops, work, housing and personal and household property and assets. For this reason, the fifth focus area of PSIR-SICA addresses the adverse effects of climate change, natural hazards and epidemics and pandemics.

The main strategic lines of action are as follows:

a) Implement sustainable and adaptive regional strategies that combine mitigation and adaptation action with programmes to reduce the social vulnerability of those who are poor and vulnerable to natural hazards in urban and rural areas, taking a territorial approach.

b) Implement regional emergency assistance programmes that include the installation of access routes, infrastructure, safe areas and emergency personnel, the operation of regional food banks, the relocation of families and communities living in high-risk areas, the establishment of regional protocols for urban and rural communities susceptible to climate risks and the strengthening of regional social safety nets to protect those affected by natural disasters. Build regional capacity on implementing emergency control measures.

c) Enhance the inter-agency coordination of national and regional environmental institutions in their work to protect at-risk populations. Strengthen the region's early warning system and risk assessment and management system and put in place comprehensive assistance protocols for victims.

d) Implement regional programmes to develop sustainable, inclusive and resilient human settlements in urban and rural areas. These programmes should include building and renovating social housing as part of a comprehensive system of infrastructure, basic services and good-quality public spaces. Develop mechanisms to promote access to adequate housing that include adapting existing homes and building new ones, rental and rent-to-own options and cooperative housing.

e) Protect natural ecosystems, especially forests, to improve how they adapt to climate change and to ensure the sustained provision of ecosystem services to human beings. This work is a key factor underpinning the transition to more sustainable economies and climate change adaptation. Implement regional programmes to preserve and protect natural resources in cross-border and coastal areas.

f) Build resilient livelihoods by improving vulnerable people's access to property, services and assets, to technical assistance on production and commercialisation and to insurance and financial services, especially in rural areas and areas where fishing, forestry and arable and livestock farming are important.



Photo: Ministry of Labour and Social Security of Costa Rica

VI. Implementation strategy for PSIR-SICA

If the implementation of PSIR-SICA and the Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic (which is integral and complementary to the former) is to be effective, it will be necessary to clearly define the institutional framework for strategic steering at the national and regional level, implementation in each SICA country and monitoring and evaluation. Given the regional and multisectoral nature of PSIR-SICA, its implementation involves SICA, the governments of the region, civil society and, in a complementary role, international cooperation.

The implementation strategy that has been drawn up is as follows:

a) SISCA will provide strategic and policy direction and leadership for the implementation of PSIR-SICA. SISCA is the technical body promoting the coordination of intersectoral social policy among SICA member countries and the bodies responsible for integration. It also sets regional agendas for tackling the shared challenges of sustainable development in Central America and the Dominican Republic.

SISCA's vision is to become a strategic focal point in the social integration process, through its strategic leadership role in PSIR-SICA implementation, laying the foundations for closer alignment of SICA member countries' social policies. SISCA will work in a coordinated way, under the overall guidance of the CIS, which is the body that coordinates and promotes the social integration process and that is tasked with formulating, evaluating and updating regional social policy.

b) National leadership of PSIR-SICA falls to the national social cabinets (or similar bodies), which will work in coordination with SISCA.

c) The government of each member state is responsible for implementing PSIR-SICA at the national level and adapting the policy to the country's specific characteristics and social policy.

de la ejecución de la PSIR-SICA a nivel nacional, así como de adecuarla a las características propias de sus países y en función de sus políticas sociales.

d) To ensure better coordination and collaboration between the regional and national institutions, each government will appoint a permanent high-level focal point, who will liaise with SISCA on all matters pertaining to the implementation of PSIR-SICA.

e) In addition to SICA and national governments, PSIR-SICA provides for the involvement of organised civil society (business sector, academia, communities, NGOs, etc.) in the different stages of the policy's implementation, monitoring and evaluation.

f) International cooperation has a complementary yet central role in the implementation of PSIR-SICA, contributing to its funding and providing social sector expertise and conceptual and operational advice.



Photo: Ministry of Health of El Salvador

VII. Implementation and monitoring of PSIR-SICA

National and regional action plans will be drawn up for the implementation of PSIR-SICA. They will be used to define the activities, objectives, goals, monitoring indicators and specific outcomes to be achieved in the region and in each of its countries. They will also contain specific indicators to be aligned with other regional instruments whose objectives and goals contain elements in common with this policy.

To periodically measure progress on PSIR-SICA, a Regional Monitoring and Supervision Mechanism is envisaged, which will be coordinated by the CIS and implemented by SISCA through the Central American Observatory on Social Development (OCADES).

With this mechanism, it will be possible to track general progress in implementing PSIR-SICA against the above-mentioned action plans. More specifically, it will also show progress made in achieving the policy's strategic goals. This reflects the CIS's ambition and commitment to move forward on achieving these goals, with the focus on a regional perspective that seeks to create a more socially homogeneous region. To this end, biennial progress reports on PSIR-SICA will be produced, presenting the results of the work undertaken to implement the action plans. Complementing these reports will be a SICA Region Social Report that will detail progress made on the representative indicators set for the policy's strategic goals (see Annex 1).

The action plans will complement and be aligned with each country's existing plans for achieving the SDGs. A mid-term evaluation is proposed for 2030 which will include work to revise the strategic goals based on the final outcomes of the Agenda 2030.

It is important to note that PSIR-SICA's Regional Monitoring and Supervision Mechanism is envisaged as an accountability mechanism that all the region's inhabitants must have access to.

In addition, as part of PSIR-SICA's sustainability strategy and under the framework of the Regional Monitoring and Supervision Mechanism, work will be undertaken to develop regional tools for information management, monitoring and evaluation. The purpose of these tools will be to develop capacities and methodologies for

To realise all these aims, the following actions will be undertaken:

- a) Strengthen SISCA's OCADES in its role as a knowledge management tool that develops learning and innovation approaches for addressing the region's main social challenges.
- b) Support the formulation and consolidation, in all SICA countries, of a comparative multidimensional poverty index that serves as a regional diagnostic tool and as an instrument for devising social policies and programmes aimed at combating multidimensional poverty in the region.
- c) Support the development of regional systems to improve and collect data and social indicator values, build up the repository of information on the social domain (statistics, studies, journals, experiences and lessons learned from programmes, etc.) and create a region-wide social database.
- d) Support the design and implementation of knowledge management programmes that include the exchange of qualitative and quantitative social information and experience gained in social programmes and develop regional programmes to transfer knowledge on social programmes.

VIII. Financing strategy for PSIR-SICA



Photo: Ministry of Labour and Workforce Development of Panama

In its first decade at least, PSIR-SICA will be implemented in a context of severe financial constraints, due to huge public spending by the region's governments in response to the impacts of the COVID-19 crisis. These constraints reduce the fiscal room available for public policy implementation even further. The effective implementation of PSIR-SICA therefore requires the creation of a financial sustainability strategy for the short, medium and long term that includes the mobilisation of national, regional and international resources and involves the nation states, international cooperation and the region's business and social sectors.

Given the regional nature of PSIR-SICA, it is the SICA countries themselves that are mainly responsible for funding it through their national budgets. Therefore, once PSIR-SICA (along with the Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic) has been adopted, it will be important for each country to carry out a budgetary review so that existing resources can be redirected towards the regional social priorities set out in the policy. Later on, the countries will need to make additional fiscal efforts to ensure the policy's sustainability over the medium and long term.

In addition to national contributions, the sustainability strategy includes the mobilisation of external resources (loans and grants). To secure these resources, the action plans guiding the implementation of PSIR-SICA will need to be submitted to international cooperation partners for their consideration.

The sustainability strategy also envisages the mobilisation of private resources, which will be secured through national and regional strategic partnerships with businesses operating in the region. Academia can also contribute by providing technical assistance, innovation and knowledge transfer.

Annex 1. General indicators for tracking and monitoring the strategic goals of PSIR-SICA

The Regional Monitoring and Supervision Mechanism of PSIR-SICA will not only monitor the delivery of the policy's action plans, but also engage SISCA's OCADES in monitoring 23 representative indicators for the strategic goals set out in the policy. This monitoring work will be carried out as part of an analysis of progress scenarios and will be communicated in the form of a SICA Region Social Report.

PSIR strategic goal	Indicators*
Goal 1: Put an end to hunger and to all forms of malnutrition including undernutrition, focusing in particular on chronic undernutrition among children under five. These conditions are causal and perpetuating factors of multidimensional poverty, exclusion and social marginalisation, and they have been exacerbated by the health and humanitarian crisis caused by the COVID-19 pandemic.	1. Prevalence of undernourishment
	2. Prevalence of adult obesity
	3. Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale
	4. Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under five years of age
	5. Prevalence of malnutrition (weight for height $>+2$ or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under five years of age, by type (wasting and overweight)
Goal 2: Eradicate extreme poverty and halve the general poverty rate in each of the SICA countries (taking 2015 as the baseline year) in accordance with national definitions. This goal is consistent with SDG 2. Its inclusion reflects PSIR-SICA's ambition to complement and reinforce the Agenda 2030, the achievement of which has been seriously jeopardised by the COVID-19 pandemic.	6. Proportion of the population living below the international poverty line
	7. Multidimensional poverty index by country
Goal 3: Implement joined-up intersectoral strategies on social protection and economic inclusion that simultaneously provide protection to ensure basic needs are met and help build independent and resilient livelihoods	8. Regulatory and/or institutional frameworks for social protection and economic inclusion updated and/or implemented in the relevant political bodies in order to enhance their sustainability and resource mobilisation
	9. Regulatory and/or institutional frameworks implemented to promote the inclusion of family farming and value chain efficiency in agricultural and food systems and in market access

PSIR strategic goal	Indicators*
Goal 4: Incorporate the region's people into social protection and social security systems and provide them with access to basic social services, in particular education and health, taking into account the territorial and local dimension.	10. Percentage of people with access to basic services (water, sanitation and electricity)
	11. Proportion of total public expenditure allocated to essential services (education, health and social protection)
	12. Unemployment rate
	13. Degree of inequality (Gini Index)
	14. Literacy rate among young people and adults
	15. Maternal mortality ratio
	16. Mortality rate among children under five
Goal 5: Reduce gender inequality, ensuring equal social, economic and political rights for women, in accordance with international treaties and the laws of individual SICA countries.	17. Adolescent birth rate (aged 10 to 14 years; aged 15 to 19 years) per 1,000 women / girls in that age group
	18. Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex.
Goal 6: Manage and regulate regular and irregular intraregional migration, particularly labour-related migration, harnessing it as an instrument of regional development.	19. Wage gap between men and women
	20. Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization textual sources and national legislation, by sex and migrant status
Goal 7: Promote access to healthy and productive living environments and adequate housing for all, delivering development that is inclusive, safe, resilient and sustainable.	21. Strategies, mechanisms, policies and programmes in place to promote the enhancement of existing programmes on the inclusion of migrant workers in social protection systems and the creation of new programmes
	22. Proportion of urban population living in slums, informal settlements or inadequate housing
	23. Countries that have adopted and apply national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015–2030

* These indicators were selected taking into account the availability of information for SICA member countries.

